



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 2, 1999

Chuck Semborski, Environmental Supervisor
Energy West
P. O. Box 310
Huntington, Utah 84528

Re: Bond Adjustment, PacifiCorp, Cottonwood/Wilberg Mine, ACT/015/019, Folder #3, Emery County, Utah

Dear Mr. Semborski:

The recent renewal of the Cottonwood/Wilberg Mine permit has prompted us to review the reclamation cost estimate and reevaluate the bond amount for the mine in accordance with R645-301-830.400. The results of the bond review are discussed in the enclosed Technical Analysis and Findings document.

You should note that the Division has calculated a revised bond amount based on the information currently available. We have determined that the bond at the Cottonwood/Wilberg Mine should be adjusted to \$5,062,000. We realize that this is a significant change from the current bond amount. At this point the amount is somewhat negotiable, since you may be able to submit additional information that can help us determine a more accurate bond amount, however at some point it is anticipated that a revised bond amount will be posted. You will need to provide any additional information which can be factored into the bond adjustment by no later than September 2, 1999. We encourage you to meet with our Engineer, Wayne Western to go over the calculations. In lieu of meeting, you may also post the revised bond amount if so desired.

Please call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor